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STATE FOR OES/PCI, OES/EGC, AND SCA/INS DEPT OF ENERGY FOR TCUTLER, CGILLESPIE, MGINZBERG USDOC FOR A/S BOHIGIAN NSC FOR DAN PRICE CEQ FOR JAMES CONNAUGHTON

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TAGS: <u>SENV</u> <u>ENRG</u> <u>ECON</u> <u>TSPL</u> <u>TRGY</u> <u>KSCA</u> <u>KGHG</u> <u>IN</u>

SUBJECT: CODEL PELOSI ENGAGES INDIAN ENERGY EXPERTS ON CLIMATE

CHANGE

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- 11. SUMMARY: The Energy and Resources Institute (TERI), Intergovernmental Panel on Climate Change (IPCC) Chairman Dr. R.K. Pachauri's powerful NGO, brought out its leading experts to brief CODEL Pelosi on climate change and answer questions in a roundtable meeting held at the TERI Gram Campus in Gurgaon. Pachauri pulled no punches and neither did Dr. Prodipto Ghosh or Ambassador Chandrashekher Dasgupta, both of whom are Distinguished Fellows at TERI and special advisors to Prime Minister Singh on Climate Change. CODEL Pelosi responded with a series of questions on the best way to move forward in combating climate change including increased international cooperation, deforestation, and the role of both developed and developing countries in finding a solution to the global problem. END SUMMARY.
- 12. Dr. Pachauri began the discussion by recounting the incident at the Bali Conference of Parties in December 2007 when a representative of Papua New Guinea told the U.S. delegation in open session to "lead or get out of the way." Pachauri, who considers the United States a second home, said he was dismayed by the broad support given to the representative of Papua New Guinea and the thunderous applause that followed his statement. Pachauri was assured by several members of CODEL Pelosi that there would be no call for such statements in the future as the U.S. assumed a greater leadership role on climate change.

TERI CLAIMS INDIA IS DOING ITS PART

position that all countries must make an effort to adapt to climate change and mitigate its effects pursuant to common but differentiated responsibilities. He noted that PM Singh announced the GOI is drafting a comprehensive climate change action plan to be adopted by June 2008. Although the plan is not finalized, Dasgupta provided a sense of what it will contain by characterizing India as a poor country with low coping capacity to deal with the effects of climate change. He stated industrialized countries can cope better due to stronger infrastructure and that India must build its

infrastructure in order to deal with the growing threat.

14. Dr. Ghosh also played up India's developing country status by noting it was imperative for India to provide energy to the 400 million people who have no access to energy today. He went on to rattle off India's poverty statistics, noting one-third of India's citizens live on less than a dollar a day while three-fifths live on less than two dollars a day. He stated India needed to grow for the next 20 to 25 years, but highlighted India's commitment to mitigation by noting the country has a very aggressive program on renewables and an energy efficiency law requiring major buildings and industrial enterprises to have an annual energy audit. He stated the last 15 years have shown a steady decline in India's energy intensity and that India surpassed Germany and was close to Japan in terms of energy intensity. He also noted India has committed 2.67% of its GDP to address climate variability, floods, droughts, vector borne disease, and extreme weather events. Ghosh concluded by claiming India has a solid slate of policy measures to address adaptation and mitigation.

CHINA VERSUS INDIA

- 15. Congressman Miller noted that, during the negotiations leading up to the Kyoto Protocol, the Chinese took a very strong "develop first clean up later" view but that now it seems like the gap in perspective on climate change between developed and developing countries is narrowing. Pachauri responded by stating China is convinced it will suffer greatly from climate change. He said China's Premier Wen Jiabao believes in the necessity to address the issue but that the economic development council is still maintaining a development at any cost attitude.
- 16. Dr. Ghosh took a different tack by highlighting the differences between India and China. He stated India didn't have the same debate China did in the run-up to Kyoto because India had already

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put in place policies to promote food security and environmental conservation, and to address climate change. India has never been complacent about environmental damage due to growth, he said. Echoing Ghosh's statements, Pachauri remarked that India is "keen on the environment" and that large hydropower projects, such as China's three gorges dam, won't be built in India because they would never pass environmental muster. Dasgupta added that another difference between the two countries was the role of the courts in environmental protection, citing the Public Interest Litigation case which brought CNG to Delhi's public transport system as an example.

DEFORESTATION, REFORESTATION, AND AFFORESTATION

17. The delegation raised the importance of forests in combating climate change and asked for TERI's opinion on structuring credits for avoiding deforestation and promoting reforestation. Pachauri answered that the problem with credits in this context is verification. Dasgupta took the point further, noting that it was not enough to reward countries for not destroying their forests, but that it was important to incentivize afforestation. He expressed disappointment that afforestation projects are not supported under the Clean Development Mechanism, as forestry was a major part of any future climate change mitigation regime.

THE WAY FORWARD

18. According to Ghosh, the key to moving forward was equity. He stated no international agreement on climate change would stand if it was perceived as inequitable, and that any agreement must be seen as fair to be sustainable. He also noted there were currently three energy flows that could replace fossil fuels - nuclear, solar, and biomass - but that the world needed more international cooperation

on research and development to bring down costs in order to make these technologies competitive with fossil fuels. Asked for TERI's opinion on how such international cooperation in research should be structured, Pachauri responded that there was no need for new institutions, but rather a need for new programs with a focus on specific goals. He suggested that a USG agency, such as the National Science Foundation, should setup a task force in which international partners could develop new techniques together. Dr. Ghosh suggested setting up a venture capital fund in an institution such as the World Bank which would fund competitive proposals for research and development. The fund could use the framework of the Asia Pacific Partnership on Clean Development and Climate, he added, noting that it had worked well.

- 19. Congressman Markey inquired what India's goal for wind and solar power was in the context of the nuclear deal. The nuclear deal was just a beginning, Pachauri stated, while, India should have 40 50 MW in wind power over the next 15 years. There was still a lot of work to be done on solar power, he noted, adding that he hoped to see 100 MW solar plants in a few years.
- 110. Paul Pelosi asked Pachauri whether the private sector in India had become involved in green technology, and whether the private sector saw combating climate change as an economic opportunity. Pachauri replied that there had not been much focus by the private sector in the past, but that it was growing and on the verge of takeoff.
- 111. Several members of the delegation noted that the scientists continued to shorten the period in which to act and asked what could be done to address climate change in the short term. Pachauri remarked that all the technologies needed to win the battle were available now, and that there were good stories from around the world. For example, the average number of miles driven in Japan had come down in recent years due to an increase in public transportation. He went on to state "it's not rocket science" and that we needed to shift priorities, advance public transport, focus on energy efficient buildings, and put a price on carbon to incentivize the process.

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- 112. COMMENT: Considering Dr. Ghosh and Ambassador Dasgupta are on the GOI's negotiating team in the Major Economies Mechanism (MEM) Process and will play a major role in developing India's position in the forthcoming United Nations Framework Convention on Climate Change (UNFCCC) talks on a post-Kyoto framework, their comments to CODEL Pelosi indicate they are feeling the effects of U.S. pressure to make real commitments on greenhouse gas emissions. Their strong emphasis on equity and fairness, along with repeated claims of Indian poverty, coupled with an exaggerated assertion India spends 2.67% of it GDP on addressing climate change (this figure ostensibly includes monies spent on malaria eradication, local weather forecasting, and normal monsoonal drought and flood relief) all indicate India is digging in its heels in the run-up to Copenhagen 12009. END COMMENT.
- 113. This cable has been approved by CODEL Pelosi.

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